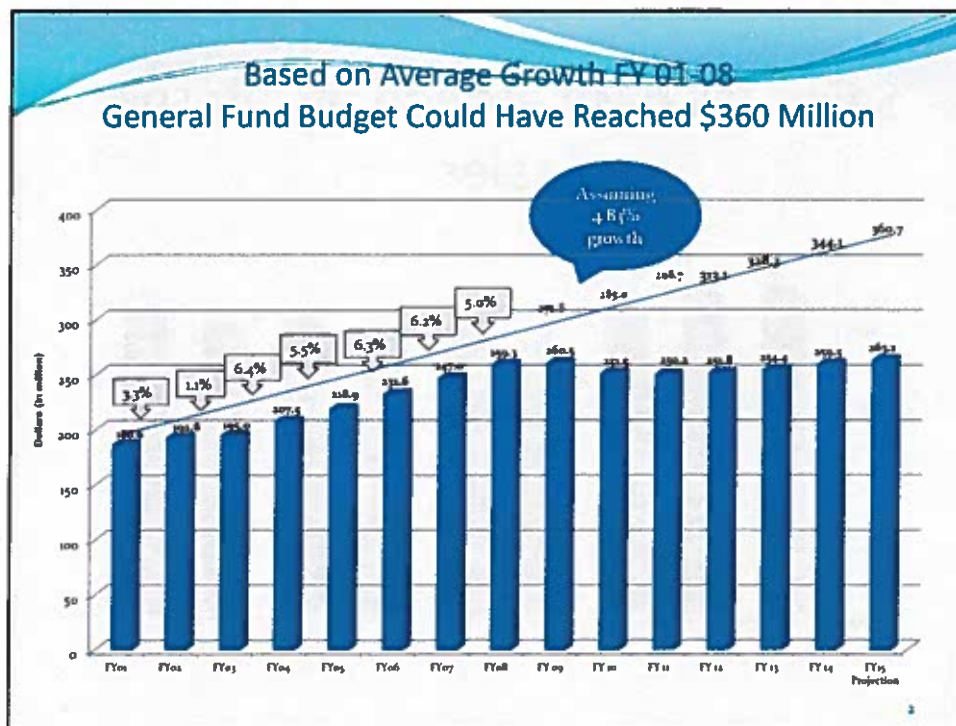
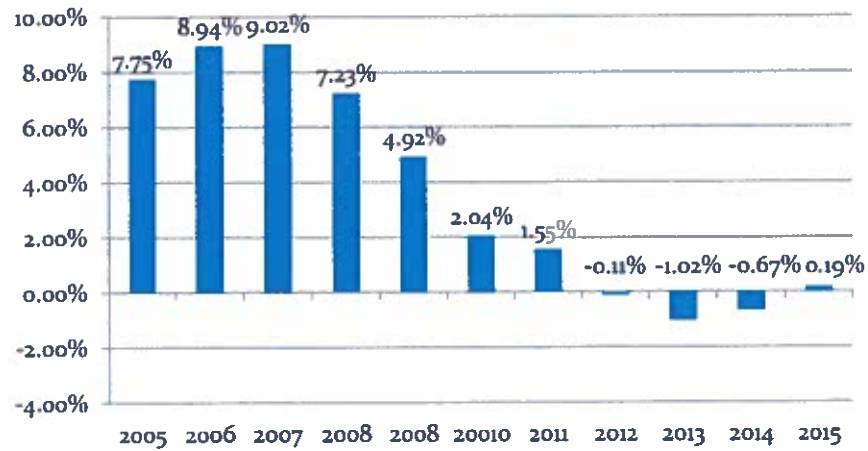


FY 2015-2016 Budget Briefing April 6, 2015

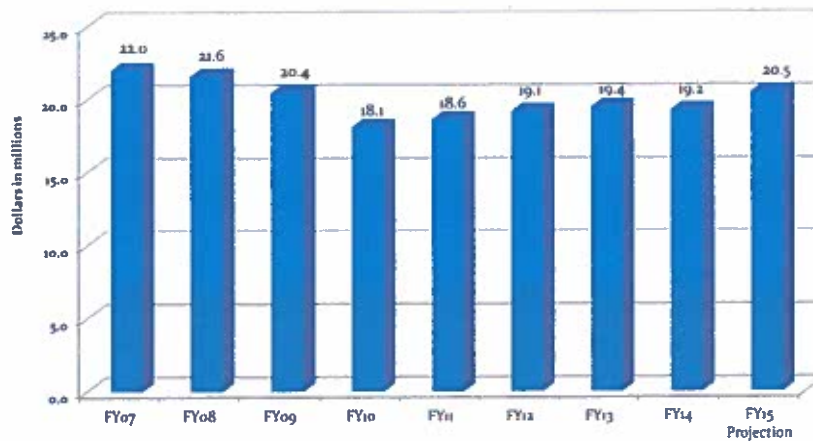


Real Estate growth rate has not rebounded



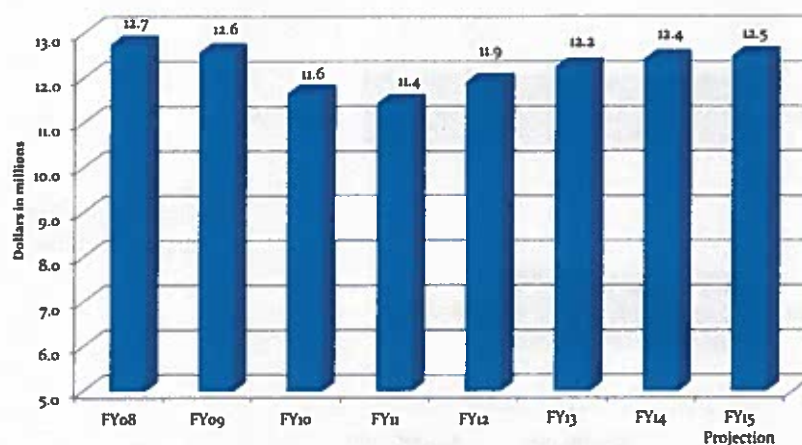
3

Sales Tax base eroded by internet sales



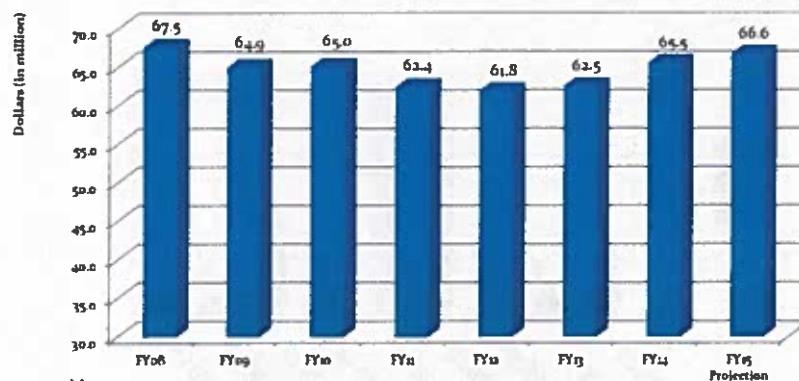
4

Stagnant Business License Tax



5

Commonwealth cut funding to City

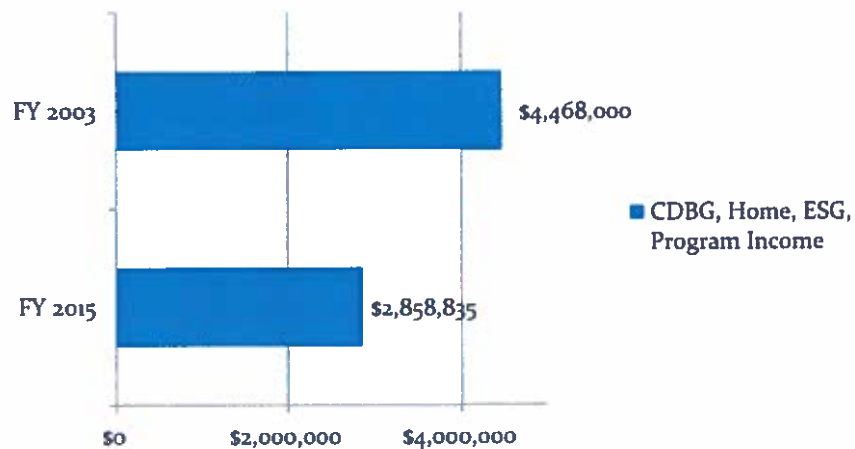


Notes:

- FY08 through FY12 data adjusted for daycare payments now paid by the Commonwealth directly
- Returned approximately \$6.1M through Local Aid to the Commonwealth between FY 2009-2013 And FY 2015

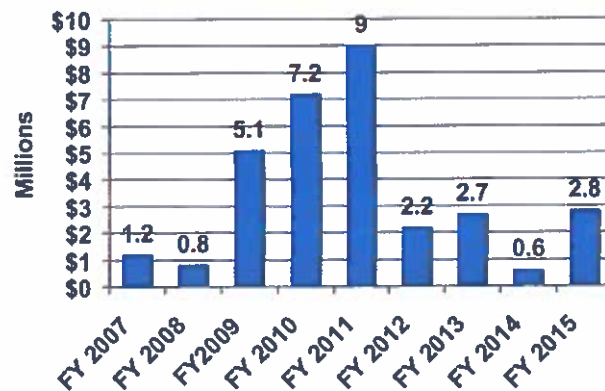
6

HUD funding has declined



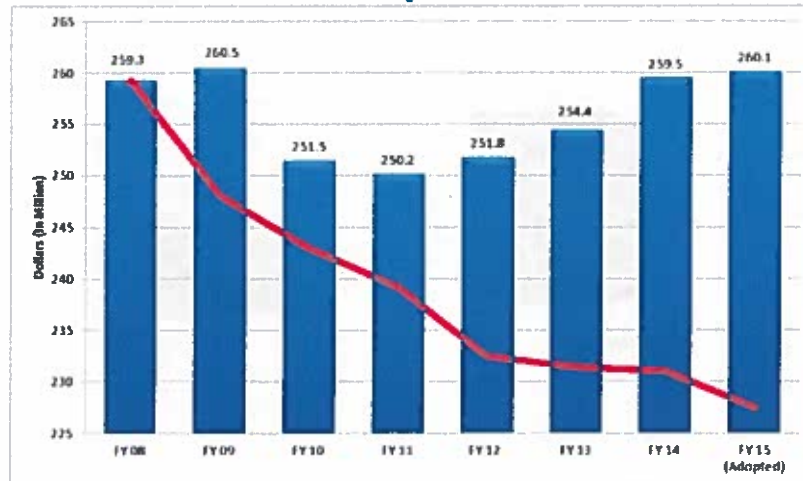
7

Historical Reductions to Balance the Budget have exceeded \$31M



8

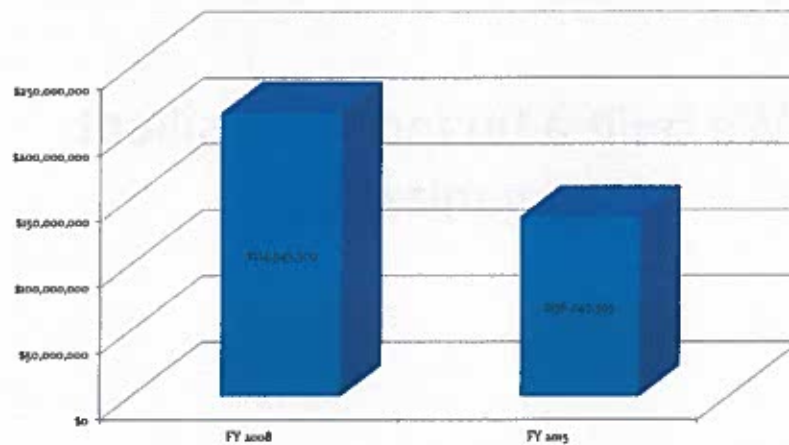
Revenue History



Red line represents inflation adjusted buying power in 2008 dollars

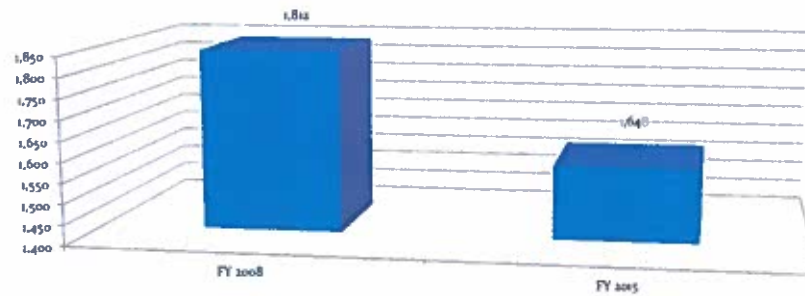
9

Five Year CIP refocused available resources



10

Positions have been reduced by 9% since 2008

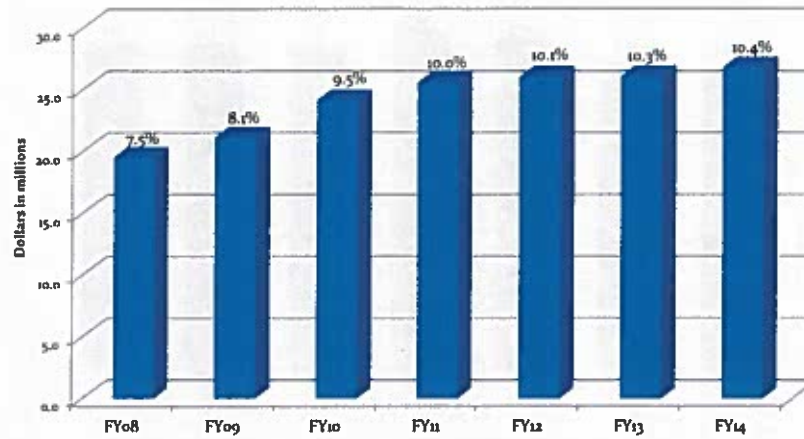


11

We built a financially resilient organization

12

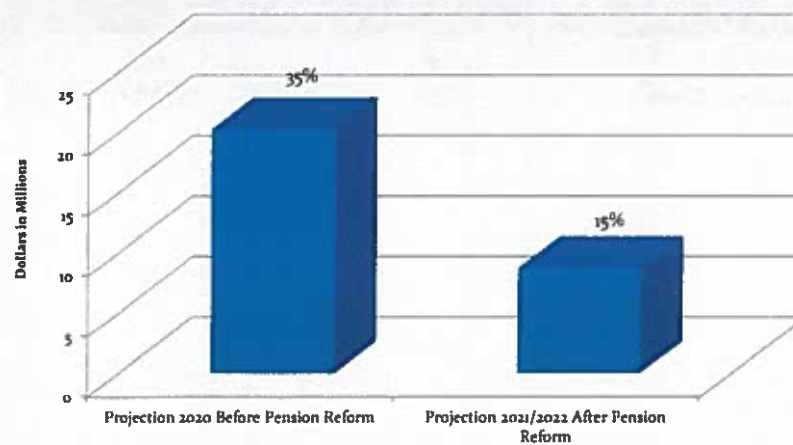
Unassigned General Fund Balance has grown



Unassigned General Fund balance and the percentage to total General Fund expenditures

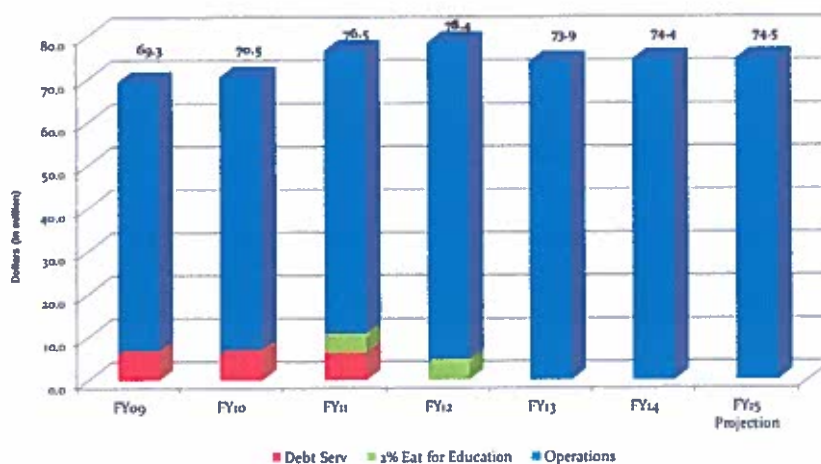
13

Pension Reform Reduced Future Employer Contributions



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Local Funding to Schools Has Remained a Priority



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Bond Ratings Stable and have improved

	2009	2015
Fitch	AA+	AA+
Standard and Poors	AA	AA+

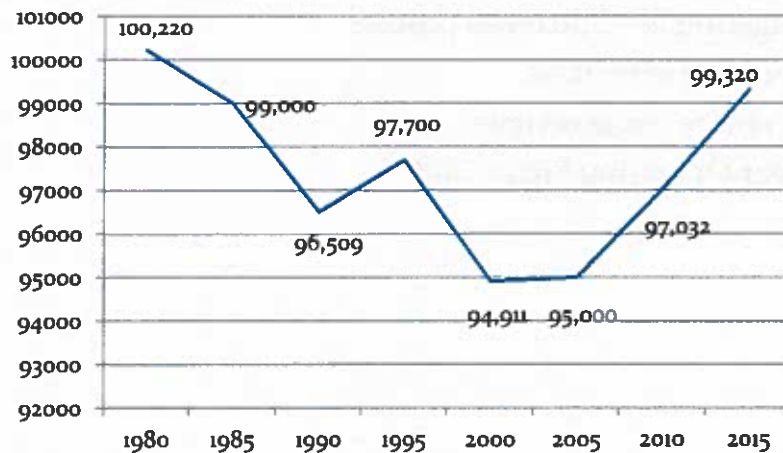
16

Strategic Investments were made

- Tourism
- Police Department Reorganization
- Smartway Connector
- Greenway Expansion Efforts
- CBD Sealed Compactor Program
- Lighting upgrades
- Biodiesel in all City vehicles
- LED Signal Head Replacements
- Installation of Green Roof
- Downtown living
- Berglund Center capital maintenance

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Population nearly reaches 100,000



18

In Summary,

- Local revenues haven't recovered
- State aid has been reduced
- Federal revenues have declined
- Capital improvements have been refocused
- Expenditures have been reduced by \$31M
- Local funding for education has increased
- Strategic investments in the community have been made

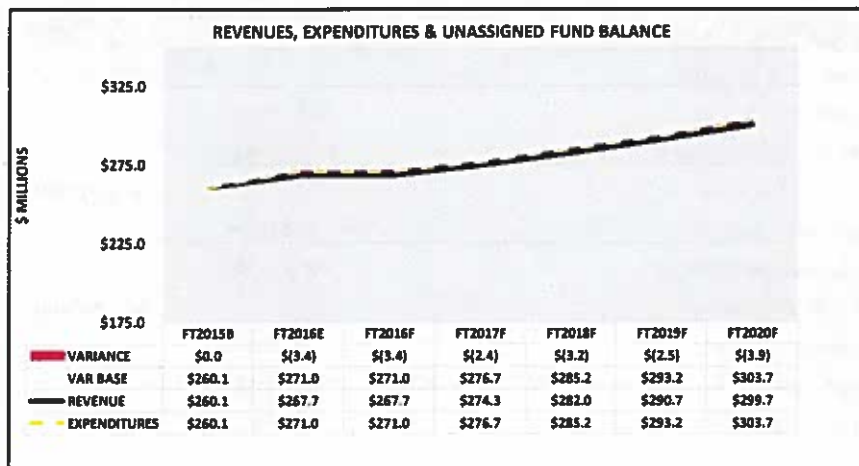
19

FY 2015-2016 Budget Development

- Budgeting for Outcomes process
- Expenditure reviews
- Current revenue reviews
- 5 Year Operating Financial Plan

20

Structural deficit is clear



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Strategic Investments for FY 2016 and Beyond

	Current Base Adjustment
RCPS	1,510,000
Human Services – CSA (30% local share), Adoption (100% state funded), Youth Services (100% local share), Family Services Specialist (21 st local share)	1,447,365
Convention and Visitors Bureau (by formula)	144,750
Public Safety	
Body Camera Management	35,926
Fire/EMS Peak Unit	129,180
Snow Removal	100,000
Library Hours, Books and Materials, Youth Services, Supplies	131,285
Capital Adjustments	
Fleet Replacement	1,057,887
Technology Capital	500,000
Capital Building Maintenance	400,000
Transportation	
Sidewalk Repair and Maintenance	150,000
Street Paving	651,000
Competitive Pay and Benefits	
Salary Increase	3,381,713
Market Competitiveness	207,878
Public Safety Adjustments	504,853

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	Adjustments	Variance
February 2 Variance		(\$9,997,154)
Revenue Changes	\$1,657,000	
Expenditure Changes	(\$2,945,254)	
March 2 Variance		(\$5,394,900)
Revenue Changes	\$384,000	
Expenditure Changes	(\$740,038)	
March 16 Variance		(\$4,270,862)
Revenue Changes	\$800,000	
Expenditure Changes	(\$84,056)	
April 6 Variance		(\$3,386,806)

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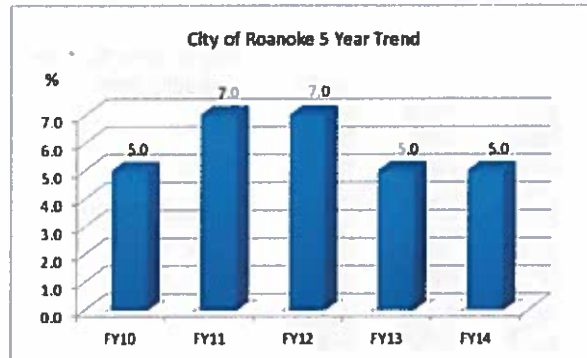
Balancing Discussions

- Real Estate Tax
- Meals Tax
- Motor Vehicle License Tax
- Solid Waste Fee
- Reducing Strategic Investments

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Meals Tax

- VA Code: §58.1-3840 (2014) - Impose
- City Code: Sections 32-283 – 32-298 - Rate



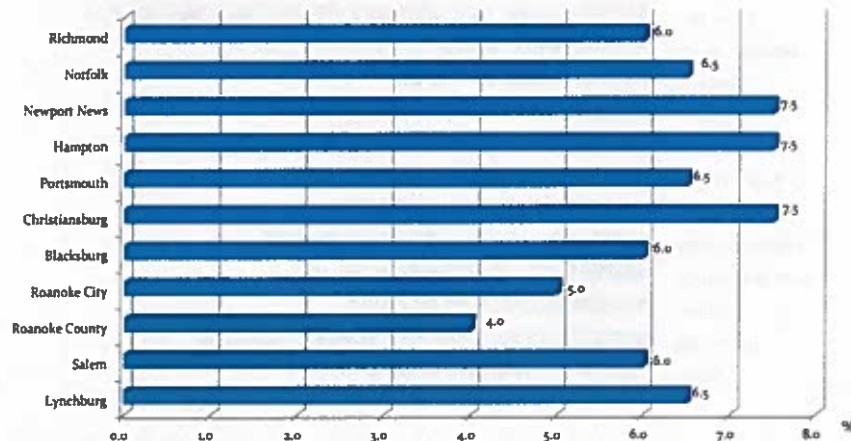
- Shared With Roanoke
City Public Schools at
40%

Value of 1%
= \$2,814,000

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Meals Tax

Neighbors and VA First Cities



Source: Weldon Cooper Center for Public Service 2013 Tax Rates

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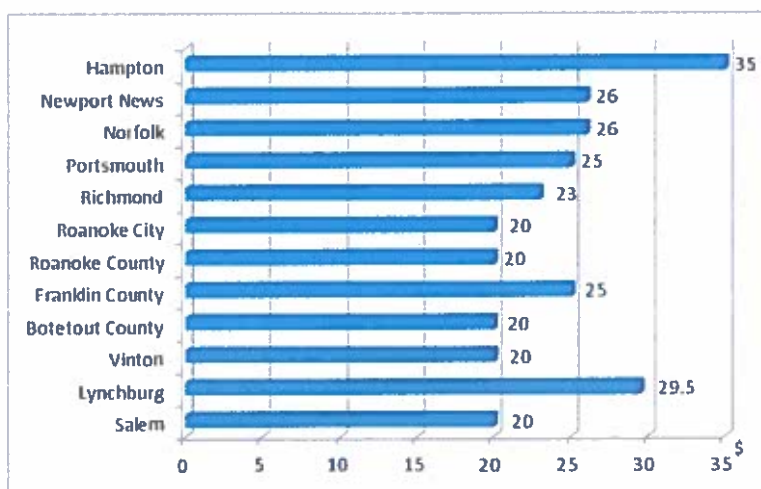
Motor Vehicle License Tax

- VA Code: §46.2-694(2014) - Assess
- City Code: Sections 20-28 - Rate



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Motor Vehicle License Tax Neighbors and VA First Cities



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Motor Vehicle License Tax

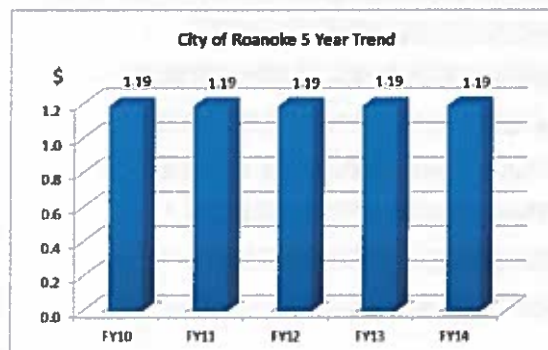


* Based on CPI Values from December of each year from 1993 to 2014 (FY 1994 to FY 2015)

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Real Property Tax

- VA Code: §58.1-3200 (2014) - Assess
- City Code: Sections 32-16 – 32-27 – Rate
- Rate decreased from 1.21 to 1.19 on 7/1/2006



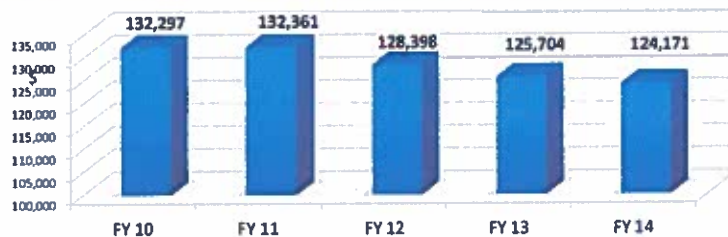
- Tax Rate per \$100 of assessed value

- Shared With Roanoke City Public Schools at 40%

Value of \$.01
= \$650,000

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Median Value Single Home

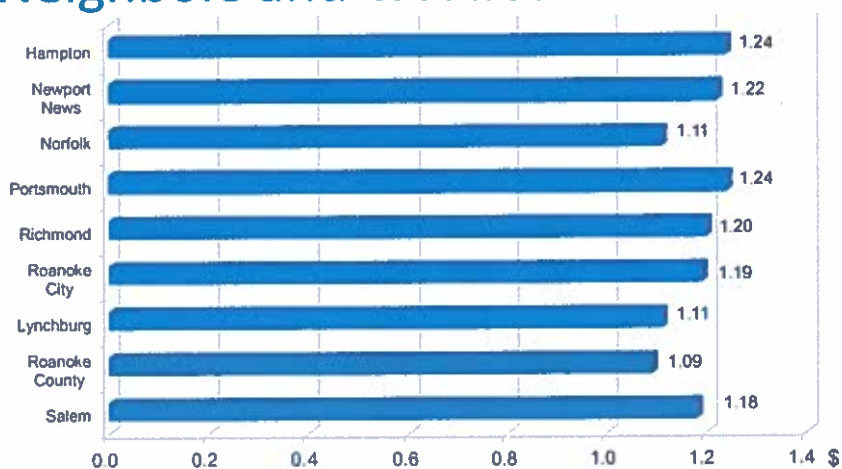


R/E Tax paid on Median Value Single Home



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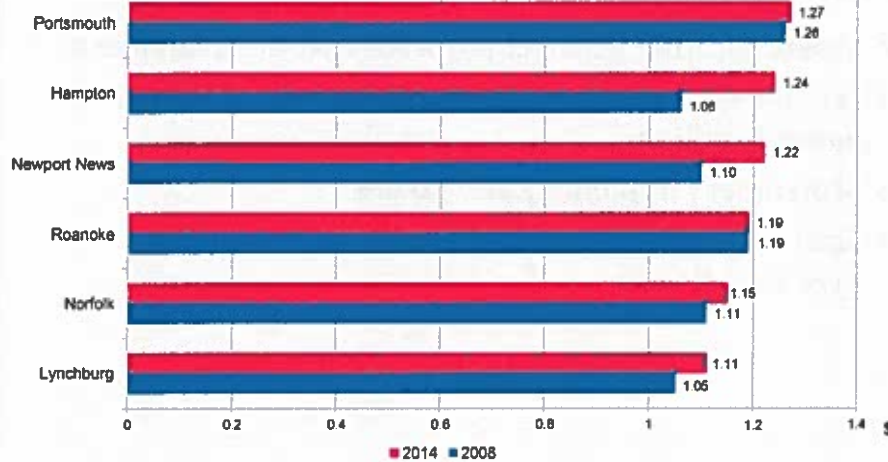
Real Property Tax Neighbors and VA First Cities



Tax Rate per \$100 of assessed value,
Source: Weldon Cooper Center for Public Service 2013 Tax Rates

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Adjusted Real Estate Rates Since 2008



Tax Rate per \$100 of assessed value
Source: Individual City's 2014 Comprehensive Annual Financial Report

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Solid Waste Fee Comparison

Locality	Monthly Solid Waste Fee
Blacksburg	\$22.30
Botetourt County (private)	\$21.00
Charlottesville	\$4.20 - \$23.63 (based on container size)
Christiansburg	\$17.00
Danville	\$16.50
Hampton	\$18.42 (recycling households)
Harrisonburg	\$25.00
Hopewell	\$20.65
Lynchburg	\$6.66 w/container
Newport News	\$5.52 - \$6.90 (based on container size)
Norfolk	\$26.76
Portsmouth	\$33.36
Salem	\$7.00
Staunton	\$10.00

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Consideration for Implementing a Solid Waste Fee

- Assess monthly fee to all properties service available to
- Fee collected by the Water Authority with water/sewer monthly billing
- September 1 implementation date
- Each \$1 per month would generate approximately \$373,410 per year

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Balancing Scenarios

	Scenario A	Scenario B	Scenario C	Scenario D
Meals Tax Rate	2%	1.5%	1.25%	0.75%
Revenue	\$3,378,800	\$2,532,600	\$2,110,500	\$1,582,875
Motor Vehicle License Tax Rate		\$5	\$13	
Revenue		\$306,000	\$795,600	
Real Estate Tax Rate		\$0.02	\$0.02	
Revenue		\$780,000	\$780,000	
Solid Waste Fee Rate				\$7
Revenue				\$2,178,414
TOTALS	\$3,378,800	\$3,618,600	\$3,686,100	\$3,761,289

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Balancing Discussions

		Net Revenue
Meals Tax	1.0%	\$1,688,400
Motor Vehicle License Tax	\$1.00	\$61,200
Real Estate Tax	\$0.01	\$390,000
Solid Waste Fee	\$1.00	\$373,410

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Legal Advertisement Required

- Prepared Food and Beverage Tax
- Motor Vehicle License Tax
- April 16th advertising date

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Parking Fund Goals

- Manages 4,100 parking spaces in (7) Off-Street Garages and (5) Off-Street Lots;
- Manages and enforces 3,000 On-Street Parking Spaces;
- Provides parking to support downtown commerce, residential development, tourism and student parking;
- Ensures that revenues generated are sufficient to recover all operating costs and life cycle maintenance of the system;
- Strives to maintain reserve to address capital needs of the Parking Fund

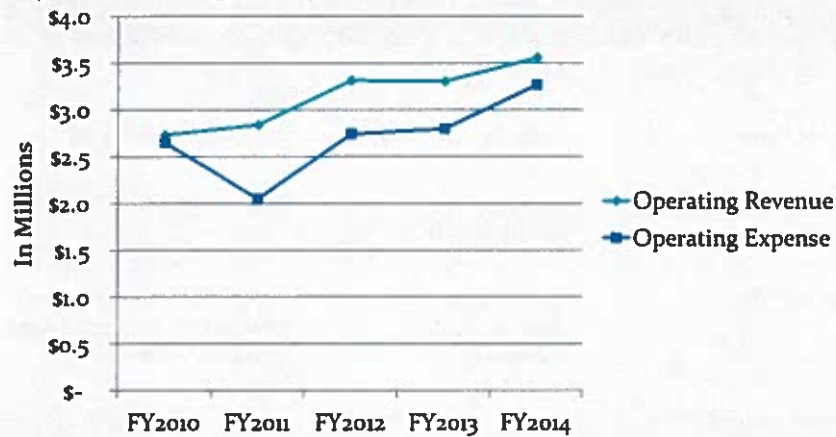
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Parking Fund Current Statistics

- Average Occupancy Off-Street 3,812
- Current Residential Off-Street 628
- Current Off Street Parking Rates
 - Reserved Rate \$ 75-\$90 /month
 - Unreserved Rate \$ 35-\$70/month
 - Residential Rate \$ 8.75-\$17.50/month
 - Daily Rate \$.50/half hr-\$1.00/half hr
 - Maximum Daily Rate \$5-\$6
 - Evening/Saturday* \$2-\$3 * in certain core decks/lots
- Across the board rates in effect since 2006/7

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Parking Fund Revenues versus Operating Expenses



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5 Year Capital Needs of the Parking Fund

	FY15	FY16	FY17	FY18	FY19
Structural/ Preventative Repairs*	\$85,000	\$815,000	\$485,000	\$490,000	\$405,000
Equipment Upgrades*	\$160,000	\$85,000	\$170,000	\$100,000	\$100,000
Vertical Mechanical Upgrades*	\$76,400	\$270,000	\$200,000	\$250,000	\$196,000
On-Street Equipment System Upgrades*	\$79,900	\$60,000	\$25,000	\$10,000	\$10,000
*updated to 2015 pricing	\$401,300	\$1,230,000	\$880,000	\$850,000	\$711,000

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Core Downtown Market Parking Rate Comparables

Rate Types	Private Public Parking	Proposed PARK Roanoke
Monthly Rates	\$48-\$100/mo	\$45-\$90*/mo
Daily Rates	\$3-\$4/hr ; all day \$7	\$.50-\$1/hr; all day \$8
Residential Rates	\$60-\$100/mo No Discounting	\$20/month all locations
Evening Rates	\$4-\$5 flat rate or Same as Daily 7 days a week	\$3-\$4 flat rate after 4pm** Weekdays; Free until 4pm Saturday; Free all day Sunday
*\$100/mo Center in the Square ** Church, Market Campbell, Tower, Center in the Square		

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FY16 Proposed Rate Changes

Type	Current	Proposed	Net Impact
Increase monthly rates \$5/month*; Residential to flat \$20/month	\$2,222,326	\$2,355,657	\$133,330
Extend daily maximum rate from \$6.00 to \$8.00	\$294,750	\$384,625	\$89,875
Increase After 4pm evening flat rates by \$1.00	\$118,116	\$162,408	\$44,292
TOTAL			\$267,497
*excludes Gainsboro & Higher Ed Lot; Center in the Square Garage monthly rate increases by \$20/mo.			

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Next Steps

- Provide open forums for public information sharing in April
- Post proposal details on PARKRoanoke.com
- Welcome public comments on PARKRoanoke.com
- Provide written communication to all patrons concerning proposed rates
- Move to annual rate reviews as part of city budget process and measure success of capital plan implementation as it is accomplished.

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Operating and Capital Budget Development Next Steps

- Legal advertisement for rate and fee adjustments – April 16, 2015
- Recommended Budget Presentation – April 20, 2015
- Public Hearing – April 23, 2015
- Council Briefing/Budget Study – May 4, 2015
- Budget Adoption – May 11, 2015

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